

2020 Short-Line Railroad Improvement Program Staff Recommendations

The Short-Line Railroad Improvement Program, created by Senate Bill (SB) 87 (Committee on Budget and Fiscal Review, Statutes of 2019), directed the Commission to establish a competitive funding program to allocate funds for short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement.

In February 2020, the California Transportation Commission (Commission) began guideline development of the Short-Line Railroad Improvement Program Guidelines. The Commission held six public workshops between February 2020 and June 2020 to solicit stakeholder input from regional transportation planning agencies, local governments, private short-line rail industry, Caltrans, other non-governmental agencies, and the public. The Commission's guidelines, adopted at its June 24, 2020 meeting, describe the policies, standards, criteria, and procedures for the development, adoption, and management of the Short-Line Railroad Improvement Program.

The Commission established the 2020 Short-Line Railroad Improvement Program as a two-year, \$7.2 million program (Fiscal Years 2020-21 and 2021-22). The primary objective of the Short-Line Railroad Improvement Program is to fund infrastructure improvement projects designed to enable Class III/short-line railroads to improve freight mobility, efficiency, reliability, sustainability, safety, and load capacity. Project nominations were due to the Commission on or postmarked by December 1, 2020. The Commission received seven project nominations seeking \$6.45 million in funding, \$750,015 less than the total programming amount available.

Staff recommends the Commission utilize the remaining \$750,015 in unprogrammed Short-Line Railroad Improvement Program funds, which originated from Trade Corridor Improvement Fund cost savings, to increase the Trade Corridor Enhancement Account. This would be consistent with the 2019 Trade Corridor Improvement Fund Closeout Policy.

Collectively, the projects recommended address significant short-line rail needs by rehabilitating aging rail to modern standards, rehabilitating rail bridges, rehabilitating and constructing rail spurs, and constructing new rail track. The projects include a variety of benefits including increasing throughput, goods movement, and reducing congestion, while reducing truck miles traveled, improving safety, improving rail operations, and reducing greenhouse gas emissions.

An evaluation team consisting of Commission staff reviewed the seven eligible project nominations based on the screening and evaluation criteria set forth in the Commission's adopted Short-Line Railroad Improvement Program Guidelines. Staff evaluations were limited to documentation submitted with the application package.

Recommendations for funding are set forth on the attached list of projects. The recommended projects successfully met and addressed the criteria as outlined in the guidelines. Staff recommends Short-Line Railroad Improvement Program funds totaling \$6.45 million for seven projects valued at approximately \$13 million.

The recommended projects are anticipated to provide the following benefits over a fifteen-year period:

- Reduce over 15,000 daily truck trips
- Reduce over 111,000 daily truck miles
- Reduce over 2 million tons of greenhouse gas emissions

The Commission will consider staff recommendations and adoption at the January 27-28, 2021 Commission meeting.